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FM AIT TAIPEI
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INFO RUEHBJ/AMEMBASSY BEIJING 5768
RUEHUL/AMEMBASSY SEOUL 8157
RUEHKO/AMEMBASSY TOKYO 8112
RUEHMU/AMEMBASSY MANAGUA 0132
RUEHGT/AMEMBASSY GUATEMALA 0120
RUEHCN/AMCONSUL CHENGDU 1442
RUEHGZ/AMCONSUL GUANGZHOU 9617
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RUEHGH/AMCONSUL SHANGHAI 0438
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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 003520

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E.O. 12958: DECL: 10/13/2031

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SUBJECT: FOREIGN MINISTER JAMES HUANG ON REGIONAL ISSUES
AND DOMESTIC POLITICS

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

¶1. (C) Summary: The Director discussed recent developments in East Asia, Central America, and Taiwan domestic politics with Foreign Minister James Huang (Chih-fang) on October 12. Huang reiterated Taipei's support for U.S. policy on North Korea and said regional instability underscored the need for Taipei to also improve its informal cooperation with Japan on security matters. On Vietnam, Huang said Taipei has delinked the APEC envoy issue with the question of Vietnam's WTO accession. Huang reiterated ongoing concerns about Beijing's influence in Central America, in particular Nicaragua and Guatemala. Turning to Taiwan domestic politics, Huang noted that the National Day protests tarnished Taiwan's international image. Huang expressed optimism that some elements of Taiwan's current defense budget could pass in the legislature this year. End Summary.

¶2. (C) The Director, accompanied by DDIR and notetaker, discussed recent developments in East Asia with Foreign Minister James Huang (Chih-fang) on October 12. In response to the Director's appreciation for Taiwan's public condemnation of the North Korea nuclear test, Huang explained that Taiwan was quick to issue the statement because Taipei firmly supports maintaining regional stability. Huang later added that North Korean instability underscores the need for Taipei and Tokyo to cooperate informally on regional security matters.

¶3. (C) The Director informed Huang that Vietnam will send an envoy to Taipei with a second letter on the APEC agenda next week. Huang reiterated Taipei's view that one special envoy, instead of two, is a departure from past practice, demurring that nevertheless Taipei will "see how it goes." He said Taipei has already delinked the APEC envoy issue from the issue of Vietnam's WTO accession.

¶4. (C) Huang thanked the U.S. for its continuing cooperation with Taipei on Central American affairs, in particular the series of meetings scheduled for Vice Minister Javier Hou with administration officials and experts on Central America. Huang characterized the region as an "important" area where Taipei and Washington share common

interests. He further expressed Taipei's continuing concern over the November elections in Nicaragua. Huang said he may also travel to Guatemala after his meeting with regional TECRO representatives in Seattle next week to discuss with the Guatemalan Vice President and Foreign Minister the status of their recent high-level exchanges with Beijing.

15. (C) Turning to Taiwan domestic politics, Huang noted that protests organized by the "Depose Chen" campaign on National Day tarnished Taiwan's international image. He regretted the harassment of foreign delegations and said campaign leader Shih Ming-te needs to be given a way to step down gracefully.

Huang predicted that the October 13 vote to recall President Chen was doomed to fail. He surmised that opposition Kuomintang Chairman Ma Ying-jeou would probably have to move on a no-confidence motion against the cabinet to convince pan-Blue supporters he has the ability to lead. Such a move, however, would pit KMT legislators in northern urban areas who support the motion against legislators from central and southern Taiwan who feel they have the most to lose if President Chen decides to dissolve the Legislative Yuan (LY) and hold a snap election instead of replacing the Premier.

16. (C) In response to the Director's query on the status of the pending defense spending bill, Huang said an opposition lawmaker had recently assured him the measure would pass, but with some significant cuts. The P3C anti-submarine aircraft, assessed Huang, are on the top of the priority list and have the best chance of passing in the opposition-controlled LY. The PAC-II upgrades are also possible, though the PAC-IIIs and submarine purchases are "under the waterline." Huang added that the recent North Korea test might force the opposition to reconsider approving PAC-III purchases.

Comment

17. (C) Foreign Minister Huang, congenial and soft-spoken as usual, continues to raise with AIT concerns over the upcoming Nicaraguan elections and the state of relations between Beijing and Taipei's key allies in Central America. His planned trip to Guatemala is one of a series of recent visits to the region and underscores that Taipei feels vulnerable to Beijing's overtures toward long-standing Central American allies.

YOUNG